



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

LINDA LINGLE
GOVERNOR

MARILYN A. MATSUNAGA
ADMINISTRATOR

1177 Alakea St. #402, Honolulu, HI 96813 Phone: 587-0788 Fax: 587-0783 www.shpda.org

May 30, 2003

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

John Schaumburg
Regional Chief Executive Officer
Maui Memorial Medical Center
221 Mahalani Street
Wailuku, Maui, HI 96793

Dear Mr. Schaumburg:

The State Health Planning and Development Agency has evaluated your application for administrative review for Certificate of Need ("Cert.") #03-08A for the addition of 22 Medical/Surgical (med/surg) beds and 5 obstetric beds and the deletion of 3 psychiatric beds at a no capital cost.

As provided under Section 11-186-99.1 of the Hawaii Administrative Rules (HAR), the Agency has determined that:

1. This proposal is eligible for administrative review as it meets the criterion in Section 11-186-99.1(b) (6), i.e.: "any proposal which is determined by the agency not to have a significant impact on the health care system."
2. The Agency has determined that the applicant has proven by a preponderance of evidence that its proposal meets the Cert. criteria in Section 11-186-15, HAR:
 - a. The applicant states that its proposal relates well to the provisions of H2P2 including the H2P2 critical elements of access, quality management, cost-effectiveness, continuity of care and constituent participation. The applicant also states that the proposal relates well to the regional values and priorities of the Maui County "Tri-Isle" Subarea.
 - b. The applicant states that the average occupancy for its Med/Surg beds in FY 2002 was 89.44% which exceeds the H2P2 capacity threshold of 80% and projects that, due to population growth and the aging of the population, the average occupancy for FY 2003 and FY 2004 will be 91.34% and 108.72% respectively.
 - c. The applicant states that it is the only full service acute hospital on Maui and must have an adequate number of med/surg beds in order to meet the need of the community.
 - d. The applicant states that it has provisions to assure that services are provided to all residents of the area, including low income persons, racial and ethnic minorities, women, handicapped persons, other underserved groups and the elderly.

- e. The applicant states that it is accredited by the Joint Committee on Accreditation of Healthcare Organizations, licensed by the Department of Health and is certified by Medicare.
- f. The applicant states that there are no capital costs involved, since the rooms and equipment are already available and that operating revenue is available for the proposal since revenue will continue to exceed expenses after project implementation.
- g. The applicant states that without sufficient beds, acute patients are backed up in the emergency room and emergency patients have delays in receiving emergency care.
- h. The applicant projects that the proposal will require a total of 17.6 FTE new staff. The applicant states that it is confident that it can recruit the additional staff needed for the proposal.

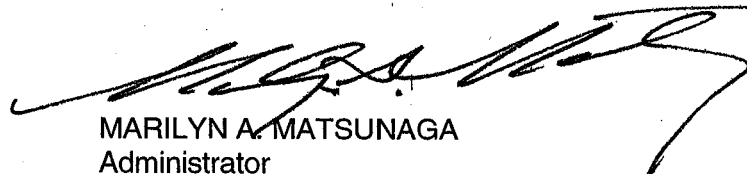
There is no compelling public interest which will be served by requiring the application to go through the standard review process.

As required under Section 323D-43(b), Hawaii Revised Statutes (HRS), the Agency finds that:

1. There is a public need for this proposal.
2. The cost of the service will not be unreasonable in light of the benefits it will provide and its impact on health care costs.

Accordingly, the State Health Planning and Development Agency hereby APPROVES and ISSUES a Certificate of Need to Maui Memorial Medical Center for the proposal described in Cert. #03-08A. There is no capital expenditure authorized under this approval.

Please be advised that pursuant to Section 323D-47, HRS and Section 11-186-99.1(g) HAR, any person may, for good cause shown, request in writing a public hearing for reconsideration of the Agency's decision within ten working days from the date this decision. Accordingly, if no person makes such a timely request for reconsideration, this decision shall become final immediately after the deadline for making such a request has expired.




MARILYN A. MATSUNAGA
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Administrative Review Decision was duly served upon the applicant by sending it by certified mail, return receipt requested, in the United States Postal Service addressed as follows on May 30, 2003:

John Schaumburg
Regional Chief Executive Officer
Maui Memorial Medical Center
221 Mahalani Street
Wailuku, Maui, HI 96793

HAWAII STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY


MARILYN A. MATSUNAGA, Administrator